



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

James Ritchie moved that we repay those stockholders who wish to be repaid, refinance the company tractor, and invest available dollars in short term interest bearing instruments. W.R. Budd seconded. Motion carried.

Lowe Ashton reported that negotiations were still continuing with the potential investors from California and Tennessee. Both groups have indicated interest to this point and have made personal inspection trips. Lowe has asked them to demonstrate their ability to supply approximately \$200,000 short term funds and the capability to raise 15 to 20 million for the long haul. Specifics remain to be negotiated.

In view of the uncertainty of investment funds, Gordon Mendenhall moved that the decision on winter operations be tabled until next meeting. D.R. Green seconded. Motion carried.

Lowe reported that we were still pursuing acquisition of the gasoline engine from Utah Power and Light through Gordon Harmston.

Del Wallengren presented a letter to the Board and requested that it be attached to the minutes for the benefit of Directors not present. Gordon Mendenhall moved that the said letter be attached to the minutes. James Ritchie seconded. Motion carried.

Del Wallengren moved for adjournment. Gordon Mendenhall seconded. Motion carried.



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PHONE: (801) 654-2621
September 6, 1974

Board of Directors
Heber Creeper
Heber City, Utah 84032

Dear Board Members:

Del Wallengren, as a Director of the Heber Creeper, and as the owner of Hubco, food and beverage concessionaire, has submitted a letter from Hubco to the Board, asked and received permission to have it be made an integral part of the minutes of the Directors meeting of September 5, 1974. I am therefore taking the liberty as President of Heber Creeper, to answer his letter on behalf of Management, in response to his invitation in his letter (see paragraph three, quote "I certainly will be glad to accept for the record the case from the standpoint of the Creeper").

In most instances Del is partially correct. Basically, as first experiences go in developing totally new concepts, we both have done fairly well. But there were some trouble spots developing that I felt should be brought to light as soon as possible, and corrected.

In Del's second paragraph, he states he was criticized for not running on Monday or Tuesday during August as it was "supposedly" in violation of the contract. I quote from the Concessioner contract between Hubco and Heber Creeper, page 4, paragraph 7: "Minimum Operations: Hubco agrees to provide the food and services on all designated special runs wherein Creeper has given twenty-four (24) hours advance notice to Hubco to furnish the same".

I pointed this out to Del, and now do so to the Board, to emphasize that there is more at stake in this operation than one would normally find in the conventional landlord-lease arrangement. The operation of the train is dovetailed to a very large degree with the food concession, and the adverse image resulting from any dissatisfied customer directly reflects on the total image of the Creeper, in all its operations, not on the Hubco or Del Wallengren as an individual or as a concessionaire. Therefore, in the opinion of the President, if there is any bending or if any single entity must be in control, it has to be the Heber Creeper. This may sound like a very tough and unbending policy, but I do not feel we can afford to take any other course.

The question of steam is a very large part of Del's letter, and we concur that our ability to provide steam has been a point of considerable frustration. Lack of direct communication between Del and Rey, and Del's own lack of physical presence in the community has certainly been most of the problem. We have tried very hard, in my opinion, within the limitations of our mechanical